

Catalog Purchasing (JUST-IN-TIME)

Pre-Solicitation Conference

March 3, 2005

AGENDA

- Welcome and Introductions – Julie Allen
- Procurement Overview – Ed Lundeen
- Catalog Purchasing Solicitation – Julie Allen
 - Background
 - JIT Path Forward
 - CP Results
 - CP Solicitation
 - Solicitation and Award Timeline
 - Partnership Commitments
- Conclusion
 - Summary
 - Question and Answers
- Oracle Procurement and Supplier Demonstration – Nancy Arendt

BACKGROUND

- Established JIT program at LANL in 1989
 - Alternative to an in-house inventory warehouse
 - Commercial off-the-shelf (COTS) items
 - Readily available to the general public
- Twenty-nine (29) active subcontracts
 - Support a variety of commodities
- Value-added services
 - Electronic validation of authorities
 - Catalog item records
 - Electronic order processing
 - Delivery barcode capabilities
 - Asset tagging

JIT PATH FORWARD

- Enterprise Project (EP) Initiatives
 - Automate and integrate Laboratory business systems
- Implementation of Procurement solution for COTS items
 - Scheduled FY05 releases
 - 3a: Local Vendor Agreements and Rapid Release Blankets – April 2005
 - 3b: Just-in-time solution – October, 2005
 - New terminology: “Catalog Purchasing” (CP)
 - Implementation of Oracle Procurement modules
 - Procurement
 - Supplier
 - Implementation of Clear Orbit Delivery and Package Tracking Application
 - Ensure continuation of existing functionality

CP Results

- Meet lab user requirements
 - Multiple items per transaction
 - Multiple suppliers for selected commodities
 - Meets user requirements to determine what is important for his/her project at a given point in time: price and/or availability
 - Competitive Pricing
 - Multiple available delivery routes
- Consistency with industry best practices
- Automated workflow and approval capabilities
 - Electronic validations of authority
- Increased support to stakeholders
 - Enhanced search capabilities
 - Use of UNSPSC Codes to categorize items
 - Ability to auto-source to selected supplier(s)
 - Supplier performance tracking
 - Automated invoicing based on receipt
 - Enhanced reporting capabilities

CP SOLICITATION

- Adequate competition
 - Market Surveys conducted to determine type of solicitation
 - Multiple-year subcontracts
 - 2-year initial term with option to extend from 1-5 years
 - Ceiling amount consistent with anticipated total subcontract term
 - Multiple awards per commodity whenever possible
 - No guarantee of minimum or maximum
 - No guarantee of exclusivity
 - Reserve right to compete large requirements among existing CP subcontractors

CP SOLICITATION (Continued)

- Subcontract Requirements
 - Electronic catalog consisting of all authorized items offered by the supplier
 - Use of UNSPSC code to categorize items
 - Pricing based on most favorable price less a negotiated discount
 - LANL price calculated and included catalog record
 - Required maintenance of documentation to support each item unit price
 - Adherence to established performance requirements
 - 98% service level
 - on-time delivery
 - correct product delivery
 - adherence to established Quality Assurance requirements
 - 100% service level
 - adherence to product marking (i.e., property tagging, warranty labeling, etc) requirements
 - Suspect/Counterfeit requirements

CP SOLICITATION (Continued)

- Subcontract Requirements (continued)
 - Delivery barcoding
 - Participation in and demonstration of compliance with Northern New Mexico Initiatives
 - Job creation
 - Development of business alliances
 - Corporate assistance in Workforce Development/Education programs
 - Civic contribution
 - Assignment of a Subcontract Coordinator and an alternate
 - Adherence to security requirements for accessing the Oracle application
 - Computer equipment
 - Computer, printer and internet access

CP SOLICITATION (Continued)

- Proposal Requirements
 - Technical Proposal: measured on pass/fail basis for each criterion
 - Market basket Item coverage
 - Minimum of 75% of market basket items listed
 - Minimum of 75% of UNSPSC codes listed in Statement of Work (SOW)
 - Financial capability
 - Past performance
 - Supply four (4) references and must include LANL (if a current customer or in the past)
 - On-time delivery performance
 - Correct product delivery
 - Suspect/Counterfeit items delivery
 - Correct package/product marking
 - Customer service/responsiveness
 - Certification of commitment to adhere to all SOW requirements as specified
 - Certification as an authorized reseller (if applicable)

CP SOLICITATION (Continued)

- Proposal Requirements (continued)
 - Pricing Proposal
 - Market Basket Quotation
 - Must be submitted using diskette provided
 - Subcontract price schedule
 - Total market basket price
 - Discount factor
 - Volume discount
 - FOB point
 - Restocking charge for returns
 - Urgent delivery charge for items

CP SOLICITATION (continued)

- Basis for Award
 - Award will be made to the Offeror (s) whose proposal passes the established technical criteria and offers the lowest *Evaluated Total Market Basket* Price. The University reserves the right to make single or multiple awards for this requirement. The decision regarding the number of awards to be made will be based on the University's need to ensure a breadth of product sufficient to meet its requirements

SOLICITATION AND AWARD TIMELINE

- Request for Proposals issued: March 11, 2005
 - Includes all commodities currently scheduled for re-solicitation
- Final date for submission of solicitation questions: March 21, 2005
- Proposal due date: April 18, 2005
- Final award selection for all commodities: August 1, 2005
- Full Implementation: October 1, 2005

PARTNERSHIP COMMITMENTS

- Supplier
 - Review solicitation thoroughly
 - Subcontract/SOW requirements
 - Proposal requirements
 - Submit questions
 - Submit timely responsive proposals by established due date

- LANL
 - Responses to written questions on procurement website on or around 03/28/05
 - Meet timeline without sacrificing the integrity of the procurement process
 - Consistent, **ethical** process that protects the integrity of the procurement process

CONCLUSION

- Summary: Ensure that the Laboratory has the resources available to facilitate adherence to programmatic requirements
 - Fiduciary responsibility
 - Procurement integrity
 - Fair and reasonable acquisition process
- Questions and Answers

ORACLE DEMONSTRATION

- Procurement
- Supplier
- Clear Orbit